

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting

October 20, 2005

COMMISSIONERS PRESENT

Marco Firebaugh
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Cathie Bennett Warner

CMAC STAFF PRESENT

Keith Berger, Executive Director
Paul Cerles
Enid Barnes
Theresa Bueno
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Carol Tate
Karen Thalhammer

COMMISSIONER ABSENT

Nancy E. McFadden, Chair

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Renee Mollow, Department of Health Services

I. Call to Order

The October 20, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Marco Firebaugh. A quorum was present.

II. Approval of Minutes

The October 6, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger indicated that after the last Commission meeting CMAC staff sent letters by over-night courier to all the hospitals eligible under statute for the first round of the Private Hospital Supplemental Fund. Staff also contacted each of the hospitals.

Mr. Berger noted that staff has received responses from all of the eligible hospitals and staff is moving forward with negotiations. The objective is to have the amendments before the Commission for action at the November 3 Commission meeting. This will allow DHS and the State Controller's Office time to get the payments out before the end of the year.

Mr. Berger reminded the Commission that there will be at least one subsequent round of negotiations for the Private Hospital Supplemental Fund that will take place after the final Disproportionate Share Hospital (DSH) list is published by DHS.

Mr. Berger informed the Commissioners that there are seven amendments for action during today's closed session, as well as some updates and strategic discussions on current negotiations.

Mr. Berger reported that CMAC staff has been working very hard the past couple of months on a number of managed care and hospital negotiations in addition to beginning the first round of the Private Hospital Supplemental Fund disbursements. He informed the Commission that CMAC staff is in the process of preparing over 115 amendments to come before the Commission for action during the last three meetings of this year.

In concluding his report, Mr. Berger reminded the Commissioners of the United Way forms that need to be signed and returned as soon as possible.

Mr. Cerles reported that the 15-day notice to the Commissioners went out yesterday for the November 3 meeting. Mr. Cerles noted that the primary and secondary contract amendments for Healthy San Diego are included and that the current Healthy San Diego contracts expire the end of December. He further noted that the packet contains new primary and secondary GMC contracts that are in the new contract format that will be effective on January 1, 2006. Also included were contracts (primary and secondary) for Care 1st a new contractor in Healthy San Diego effective February 1, 2006.

In concluding his report, Mr. Cerles stated that staff has noticed to the Commissioners a package of amendments for the Sacramento GMC primary contracts, which adjust rates and encumbrances to reflect increases to the program.

IV. Department of Health Services Report

René Mollow, Assistant Director for Health Policy for the Department of Health Services (DHS), indicated that, there had been three State Plan Amendments (SPAs) submitted to the Centers for Medicare & Medicaid Services (CMS). One was on the Certified Public Expenditures (CPE) methodology, one was for the supplemental payments for physician and non-physician related costs, and the other was for the DSH program changes. Ms. Mollow noted that DHS has requested that CMS expedite their review, but has not heard from CMS regarding the SPAs.

Ms. Mollow informed the Commission that CMS's process for reviewing a SPA and granting approval could be a nine-month process. DHS is hoping that CMS will expedite their review. The State has 120 days from the date the hospital-financing waiver was approved in which to switch over to the CPE methodology. DHS has also submitted to CMS under the hospital financing demonstration waiver a protocol document for CMS review and feedback, which outlines the CPE funding and reimbursements requirement for this waiver.

Ms. Mollow further indicated that DHS is in process of obtaining feedback on the Health Care Coverage Initiative that will be required to be developed under the demonstration waiver. This health care initiative is to become operative during the last three years of the waiver. It will be funded with \$180 million dollars per year in each of the last three years of the demonstration for uninsured individuals. DHS is working with some key stakeholders, which include the hospital associations, the primary care provider associations, and some advocate organizations.

Ms. Mollow indicated that today, DHS had its first meeting with the stakeholders and there will be another meeting next week. DHS has also sent out a mass emailing to the Medi-Cal Redesign stakeholders and has requested their input in the development process. DHS is required to submit a concept document to the federal government by January 31, 2006, so the State is now working on the development of the actual concept document. From January forward, DHS it will be working with CMS and stakeholders in the development of the Health Care Initiative. Enrollment for the initiative will start September 1, 2007.

In response to Commissioner Griffith's inquiry, Ms. Mollow indicated that DHS is in the process of determining if the health care initiative should be statewide or just target a certain part of the State. No decisions have yet been made. DHS has just started the initial process of obtaining input from interested stakeholders.

At this time, Commissioner Warner arrived and Commissioner Firebaugh passed the order of the meeting to Commissioner Warner.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner Cathie Bennett Warner recessed the open session. Commissioner Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.